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FOR IMMEDIATE RELEASE

Reimbursement Rate for Cost of Childcare Called into Question

MONO COUNTY, CA (March 27, 2023) – Recent studies have found that childcare providers are being underpaid by subsidy programs designed to reimburse providers for their work in the childcare industry. These subsidies were established to allow for financial assistance to help make childcare more affordable for low-income families with parents who are working or enrolled in education or training programs. California is one of the nation's leaders in childcare subsidies.

While these subsidies allow children to have a place to go while their guardians work, the workers of the childcare centers, however, need more accurate reimbursement for the actual cost of childcare. Recent reports have found that California childcare workers are being underpaid for their work in the childcare industry.

"Child care employment pay rates are too low to keep and replenish the workforce, staffing is a challenge for many, if not all, sites in Mono County," said Molly DesBaillets, First 5 Mono County Executive Director. *"At the same time, many families cannot afford care. Solutions to address these interrelated issues will result in a healthier workforce for all given the essential need for childcare."*

California is one of three states using an innovative cost estimation model to identify the true cost of providing care, and to ensure that subsidized care is provided at a rate that supports sustainable business. This model will help maintain consistent providers locally by paying childcare educators reasonable wages, enabling families to remain in the workforce.



The lack of accurate pay is something that is being addressed by the state. Gov. Gavin Newsom revealed that childcare workers are paid just 25-30% of the cost of providing care. The reimbursement for childcare subsidies is in the works throughout the state. Insufficient subsidy reimbursement rates contribute to thin margins for childcare programs and low early childhood educator wages and limit access to childcare subsidies for families.

First 5 Mono is grateful for the childcare workers dedicating their lives to childcare and ensuring that families within the county can work and give children a place to learn, grow and play. First 5 Mono County is dedicated to improving the lives of young children and their families in Mono County through a comprehensive system of education, health services, childcare, and other crucial programs.

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